

MORTGAGE FRAUD INDEX: BY THE NUMBERS

Copies of the book *Flipping Houses for Dummies* sold since its release in 2006: 45,000+

Value of suspected fraudulent land deals (“flips”) in Florida during the real estate boom:
\$10,000,000,000+ (ten billion plus)

Number of Suspicious Activity Reports (SARs) from financial institutions nationwide
in 2006: 37,313

Number of SARs from financial institutions nationwide in 2008: 67,713

Estimate of the number of residential loan applications that contain some sort of
misrepresentation: 1 in 10

Estimate of the number of residential loan applications for which the borrower defaults early
in the loan that contain some sort of misrepresentation: 1 in 2

Number of foreclosure filings in the U.S. since January 2009: 1,955,923

Average number of seconds before another foreclosure somewhere in the U.S.: 13

Average percent decrease in a home’s value for every foreclosure within a 1/8 mile radius: 1

Chance that the buyer of a U.S. home in 2006 now has “negative equity,” i.e., the debt on the
home exceeds its value: 1 in 5

Total number of bank failures in the United States in 2007: 3

Total number of bank failures in the United States since January 2009: 100

Number of mortgage fraud investigations nationwide by the FBI in 2008: 1,644

Percent increase in FBI mortgage fraud investigations since 2006: 100

2008 FBI mortgage fraud investigations with a potential loss of more than \$1,000,000,
as a percentage: 63

Number of defendants netted by Middle District of Florida’s Mortgage Fraud Surge:
105

Minimum value of loans likely involved in MDFL’s Mortgage Fraud Surge: \$400,000,000

Minimum number of properties likely involved in MDFL’s Mortgage Fraud Surge: 700

Sources: ; www.PatrickPretty.com; www.HeraldTribune.com, “How Herald-Tribune Identified \$10 Billion in Suspicious Flips.” July 19, 2009; FBI’s 2008 Annual Mortgage Fraud Report “Year in Review”; Federal Financial Institutions Examination Council, Press Release, (July 26, 2004); FFIEC, The Detection, Investigation, and Deterrence of Mortgage Loan Fraud Involving Third Parties: A White Paper. (Oct. 2004); Harper’s Index: June 2007, November 2007, January 2009; LexisNexis: Eleventh Periodic Mortgage Fraud Case Report to Mortgage Bankers Assoc., March 2009; South Florida Business Journal, July 17, 2009; www.RealtyTrac.com; U.S. Attorney’s Office, Middle District of Florida.